

1 AN ACT relating to the collection of delinquent tax bills.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 134.504 is amended to read as follows:

4 (1) The department shall be responsible for the collection of certificates of delinquency
5 and personal property certificates of delinquency. The provisions of this section
6 relating to certificates of delinquency shall also apply to personal property
7 certificates of delinquency unless otherwise specifically noted. The department
8 shall offer the collection duties related to certificates of delinquency and personal
9 property certificates of delinquency to the county attorney in each county, unless
10 the department determines that a county attorney has previously failed to perform
11 collection duties in a reasonable and acceptable manner.

12 (2) Any county attorney desiring to perform the collection duties shall enter into a
13 contract with the department on an annual basis.

14 (3) The terms of the contract shall:

15 **(a)** Specify the duties to be undertaken by the county attorney, which shall
16 include, at a minimum, the duties set forth in subsection (4) of this section;

17 **(b)** ~~[-The terms of the contract shall also -]~~Provide that, if the county attorney fails
18 to perform the duties required by the contract during the contract period, the
19 department may assume all collection responsibilities; **and**

20 **(c)** **Allow the county attorney the option to enforce collection of a certificate of**
21 **delinquency by the procedure authorized in Sections 2 to 20 of this Act.**

22 (4) The following duties shall be performed by the department or the county attorney,
23 as the case may be, with regard to each certificate of delinquency:

24 (a) Within thirty (30) days after the establishment of a certificate of delinquency,
25 the county attorney or the department shall mail a notice by regular mail to the
26 owner of record on the assessment date at the address on the records of the
27 property valuation administrator, or to the in-care-of address if an in-care-of

- 1 address is provided as required by subsection (5) of this section. The notice
2 shall:
- 3 1. Include the name, address, and telephone number of a contact person in
4 the county attorney's office or the department, as the case may be;
 - 5 2. Advise that:
 - 6 a. The certificate of delinquency is a lien of record against the
7 property on which the taxes are due;
 - 8 b. The amounts due are a personal obligation of the taxpayer on the
9 assessment date; and
 - 10 c. The certificate bears interest at the rate of twelve percent (12%)
11 and, if not paid, will be subject to collection by the county attorney
12 or the department as provided by law;
 - 13 3. Include the total amount due as of the date of the notice;
 - 14 4. Include in bold print in at least twelve (12) point font, a statement
15 advising the taxpayer that anytime after ninety (90) days from the
16 creation of the certificate of delinquency, the certificate of delinquency
17 may be paid by a third-party purchaser and, that if so paid, the certificate
18 of delinquency will be subject to collection by the third-party purchaser
19 as provided by law. The notice shall also advise that a third-party
20 purchaser may impose substantial additional administrative costs and
21 fees associated with collection in addition to the amount due on the
22 certificate of delinquency, and that collection actions may include
23 foreclosure. This provision shall not be included in notices sent for
24 personal property certificates of delinquency; and
 - 25 5. Advise that the taxpayer may qualify for a payment plan with the county
26 attorney or the department, if the taxpayer meets the requirements
27 established by the county attorney or the department, and if terms are

1 agreed to prior to the date of the sale;

2 (b) The county attorney or the department shall file in the office of the county
3 clerk a list of the names and addresses to which the thirty (30) day notice was
4 mailed along with a certificate attesting that the notices were mailed in
5 accordance with the requirements of this section;

6 (c) 1. All thirty (30) day notices returned as undeliverable shall be submitted
7 by the county attorney or department to the property valuation
8 administrator, and a list of the returned notices shall be filed with the
9 county clerk, who shall record the list in the order book of the county.

10 2. The property valuation administrator shall attempt to correct inadequate
11 or erroneous addresses and, if property has been transferred, shall
12 determine the new owner, current mailing address, and in-care-of
13 address, if any, as provided in KRS 382.135.

14 3. The property valuation administrator shall return the notices with the
15 corrected information to the county attorney or the department within
16 twenty (20) days of receipt.

17 4. Upon receipt of the new information from the property valuation
18 administrator, the county attorney or the department shall resend the
19 notice required by paragraph (a) of this subsection using the updated
20 information;

21 (d) 1. At least twenty (20) days after the mailing of the thirty (30) day notice
22 required by paragraph (a) of this subsection, but within sixty (60) days
23 of the establishment of a certificate of delinquency, the county attorney
24 or department shall send a second notice, by regular mail, to owners of
25 record whose tax bills remain delinquent, or to the in-care-of addresses
26 or corrected address, if information regarding a new property owner has
27 been received by the county attorney or the department under the

- 1 provisions of paragraph (c) of this subsection. The notice shall include,
2 at a minimum, the following information:
- 3 a. The name, address, and telephone number of a contact person in
4 the county attorney's office or the department, as the case may be;
 - 5 b. A statement that a sale of tax claims will be held by the county
6 clerk on the date established by the department for the sale. The
7 text of the statement shall include the actual sale date, as well as a
8 statement noting that the certificate of delinquency may be paid by
9 a third-party purchaser at the sale, and if the certificate of
10 delinquency is paid by a third-party purchaser, it will be subject to
11 collection by the third-party purchaser as provided by law, that
12 significant additional collection fees will be imposed by the third-
13 party purchaser, and that collection actions may include
14 foreclosure. This statement shall not be included in notices sent to
15 owners of property subject to a personal property certificate of
16 delinquency; and
 - 17 c. A statement that the taxpayer may qualify for a payment plan with
18 the county attorney or the department, if the taxpayer meets the
19 requirements established by the county attorney or the department
20 and if terms are agreed to prior to the date of the sale.
- 21 2. The county attorney or the department shall file in the office of the
22 county clerk a list of the names and addresses to which the sixty (60)
23 day notice was mailed, along with a certificate attesting that the notices
24 were mailed in accordance with the requirements of this section.
 - 25 3. If the notice required by paragraph (c) of this subsection is returned as
26 undeliverable, and the property valuation administrator is not able to
27 provide a corrected or updated address, the county attorney or the

1 department shall address the sixty (60) day notice to "Occupant" and
2 shall mail the notice to the address of the property to which the
3 certificate of delinquency applies;

4 (e) The county attorney or the department shall deliver to the property valuation
5 administrator, at the same time the notice required by paragraph (d) of this
6 subsection is sent, a list of the owners whose tax bills remain delinquent. The
7 property valuation administrator shall review this list in accordance with KRS
8 132.220 to establish that the properties on the list can be identified and
9 physically located; and

10 (f) Anytime after the expiration of the one (1) year tolling period established by
11 KRS 134.546, the county attorney or department may institute an action to
12 collect the amount due on a certificate of delinquency owned by the taxing
13 jurisdictions and in the possession of the county clerk. At least forty-five (45)
14 days before instituting a legal action, the county attorney or department shall
15 send, by regular mail, a notice of intent to initiate legal action to enforce the
16 lien. The notice shall be sent to the owner of record of the property or to the
17 in-care-of address or corrected address if either has been provided pursuant to
18 this section.

19 (5) If property subject to a certificate of delinquency has been transferred in any year
20 after the assessment date, the property valuation administrator shall determine the
21 in-care-of address supplied in the deed pursuant to KRS 382.135 and shall provide
22 that information to the county attorney or the department.

23 (6) (a) Failure of the county attorney or the department to mail the notices required in
24 subsection (4) of this section shall not affect the validity of the claim of the
25 state, county, school district, and taxing district. However, the county attorney
26 or the department shall not receive any compensation, commission, or
27 payment related to any certificate of delinquency for which the notices

1 required by the provisions of subsection (4) of this section are not sent.

2 (b) For each notice mailed, one dollar (\$1) shall be added to the amount of the
3 certificate of delinquency, to offset the cost of mailing, and, upon collection,
4 the county attorney or the department shall be paid ~~the~~^[such] amounts as
5 reimbursement for mailing costs.

6 (7) (a) As compensation for the collection duties performed pursuant to a contract
7 with the department, a county attorney shall be paid twenty percent (20%) of
8 the amount due each taxing unit during the contract period, whether the
9 amount is paid voluntarily, through sale, or under court order, and whether the
10 amount is paid to the county clerk or the county attorney. The fee for the
11 county attorney shall be added to the amount of the certificate of delinquency
12 and shall be paid by the person paying the certificate of delinquency.

13 (b) If payment in full is voluntarily made by the taxpayer to the county attorney
14 or county clerk within five (5) days of the filing of the tax claim with the
15 county clerk, the county attorney fee shall be waived.

16 (c) 1. If a county attorney files a court action or files a cross-claim, the county
17 attorney:

18 a. *May collect actual, reasonable attorney's fees and costs that*
19 *arise due to the prosecution of collection remedies or the*
20 *protection of a certificate of delinquency that is involved in*
21 *litigation; and*

22 b. Shall be paid an additional fee of thirteen percent (13%) of the
23 amount of the certificate of delinquency ~~or~~^[and] shall be
24 reimbursed for costs incident to the court action, *whichever is*
25 *greater*. The additional fee and costs incident to the litigation shall
26 be added to the certificate of delinquency and shall be paid by the
27 person paying the certificate of delinquency.

1 2. For purposes of subparagraph 1.a .of this paragraph:

2 a. Actual attorney's litigation fees up to two thousand dollars
 3 (\$2,000) may be reasonable if the fees are based upon
 4 documented work performed at a rate commensurate with hourly
 5 rates customarily charged by private attorneys in that
 6 jurisdiction for similar services. A flat rate, without hours
 7 documented for work performed, may be reasonable if the flat
 8 fee is determined to be discounted from the usual and customary
 9 rates for comparable work; and

10 b. Any attorney's litigation fee in excess of two thousand dollars
 11 (\$2,000) shall be allowed if authorized by the court upon a
 12 finding that the county attorney incurred actual attorney's
 13 litigation fees in excess of two thousand dollars (\$2,000) and that
 14 those attorney's litigation fees were warranted based upon the
 15 complexity of the issues presented in the litigation.

16 (d) If more than one (1) county attorney renders necessary services to collect on a
 17 certificate of delinquency, the county attorney serving the last notice or
 18 rendering the last substantial service preceding collection shall be entitled to
 19 the fee.

20 (8) (a) The county attorney shall establish a system to accept installment payments
 21 from delinquent taxpayers. The county attorney may, during the contract
 22 period, enter into an agreement with a delinquent taxpayer to accept
 23 installment payments on the certificates of delinquency. The agreement shall
 24 not waive the county attorney's right to initiate court action or other
 25 authorized collection activities if the taxpayer does not make payments in
 26 accordance with the agreement.

27 (b) The county attorney may, upon written request of the taxpayer for good cause

1 and with agreement of the affected taxing jurisdiction or fee recipient, waive
2 or reduce fees and penalties that are part of a certificate of delinquency during
3 settlement or negotiation with a taxpayer in accordance with guidance
4 provided by the department.

5 (9) Any action by the county attorney authorized by this chapter shall be filed on
6 relation of the commissioner. A copy of any judgment obtained by the county
7 attorney shall be sent to the department.

8 (10) (a) The county attorney shall notify the county clerk and the department of the
9 filing of a suit at the time the suit is filed and of payment agreements at the
10 time ~~the~~^{such} agreements are entered into. The county clerk shall note on the
11 certificate of delinquency the filing of the lawsuit or the existence of the
12 payment agreement, and these certificates of delinquency shall not be
13 available for purchase or payment by a third-party purchaser.

14 (b) The county attorney shall provide to the county clerk at least ten (10) days but
15 not more than twenty (20) days prior to the annual sale date for the county
16 established pursuant to KRS 134.128, a protected list of current year
17 certificates of delinquency that are:

- 18 1. Under a payment plan with the county attorney on which payments are
19 current;
- 20 2. Involved in litigation initiated by the county attorney or in which the
21 county attorney responds or files an answer;
- 22 3. Involved in bankruptcy litigation in which the county attorney has filed
23 a claim; or
- 24 4. Included on a list of protected properties submitted to the county
25 attorney by a vacant property review commission or an alternative
26 government entity as provided in KRS 99.727.

27 The list shall include sufficient detail for the county clerk to accurately

1 identify the property.

2 (c) The county attorney shall notify the county clerk of the failure of any payment
3 agreement and, upon notification to the clerk, the certificate of delinquency
4 shall be available for purchase.

5 (11) The department may make its delinquent tax collection databases and other
6 technical resources, including but not limited to tax refund offsetting, available to
7 the county attorney upon request from the county attorney. The county attorney
8 seeking assistance shall enter into any agreements required by the department to
9 protect taxpayer confidentiality, to ensure database integrity, or to address the
10 concerns of the department.

11 (12) (a) If a county attorney chooses not to contract for collection duties, or if a county
12 attorney fails to perform the duties required by the contract, the department
13 shall assume responsibility for all uncollected certificates of delinquency and
14 personal property certificates of delinquency, including, at the option of the
15 department, those with pending court action or for which the county attorney
16 has entered into an installment payment agreement.

17 (b) If the department assumes or retains responsibility for the collection of
18 certificates of delinquency and personal property certificates of delinquency,
19 the twenty percent (20%) fee that would have been paid to the county attorney
20 under subsection (7) of this section, and any other fees or costs established by
21 this section for the county attorney shall be paid to the department for deposit
22 in the delinquent tax fund provided for under KRS 134.552.

23 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
24 READ AS FOLLOWS:

25 **As used in Sections 2 to 20 of this Act, unless the context otherwise requires:**

26 **(1) "Land taxes" means general taxes on real property and includes the taxes both**
27 **on land and improvements thereon;**

1 (2) "Tax bill" means the statement of the land taxes and the lien thereon, levied and
2 assessed by any taxing authority; and

3 (3) "Tax lien" means the lien on any tax bill established under KRS 134.420.

4 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
5 READ AS FOLLOWS:

6 In addition to those powers granted to counties by statute for the collection of ad
7 valorem taxes, a county may enforce collection of any tax bill due to the county by the
8 procedure authorized in Sections 2 to 20 of this Act, except the statute of limitations
9 shall, in all cases, be that set forth in KRS 134.546.

10 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
11 READ AS FOLLOWS:

12 (1) As early as practicable in July of each year, the county clerk shall make a list of
13 all the tax bills remaining in whole or in part unpaid on the date due and payable
14 and file the list with the county treasurer. A false report or a failure to report
15 shall not invalidate subsequent proceedings for collection of the tax.

16 (2) The list of delinquent tax bills prepared under subsection (1) of this section shall
17 contain:

18 (a) A description of the land by district, block, lot, and sub-lot and include the
19 street address;

20 (b) A statement of the amount of each tax bill upon the parcel, including:

21 1. All tax bills which are delinquent;

22 2. The year of the assessment;

23 3. The block, lot, and sub-lot of each tax bill;

24 4. The date from which and the rate at which interest and penalties shall
25 be computed; and

26 5. An appropriate designation of the owner or holder of each tax bill;

27 and

1 (c) The name of the last-known person appearing on the county's records in
2 whose name the tax bills were listed or charged for the year preceding the
3 calendar year in which the list is filed.

4 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
5 READ AS FOLLOWS:

6 (1) If any of the land or lots against which delinquent taxes are owed remain
7 unreleased or unpaid six (6) calendar months from the date due and payable, the
8 county may file suit in the Circuit Court against the land or lots to enforce the tax
9 lien.

10 (2) The county treasurer shall note on the tax bill the fact that suit has been
11 commenced.

12 (3) The county treasurer shall note on the list of tax bills prepared under Section 4 of
13 this Act each suit that has been filed under subsection (1) of this section
14 including:

15 (a) The land or lots against which the suit was filed;

16 (b) The court docket number; and

17 (c) The date the suit was commenced.

18 (4) It shall be a defense to an action for recovery of land taxes against real property
19 that the action was not commenced within eleven (11) years after delinquency.

20 (5) Any person interested in, or the owner of any tract of land or lot contained in, the
21 county's records of delinquent tax bills may release the tract of land or lot, or any
22 part thereof, from the county's lien thereon by paying the land taxes due to the
23 county, together with interest from the date of delinquency.

24 (6) If suit has commenced against any tract of land or lot for the collection of land
25 taxes, the person desiring to have the land released before judgment, in addition
26 to the original taxes, interest, and costs, including attorney's fees, shall pay to the
27 county all necessary costs incurred in the court where the suit is pending, and the

1 county shall account to the clerk of the court in which the suit is filed for the
2 court costs collected.

3 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) The county may enforce county tax liens by bringing suit in rem against property
6 so encumbered. This means of enforcement shall not be the exclusive remedy
7 available to the county and shall be in addition to all other remedies available at
8 law or equity. Any number of parcels of real estate may be joined in one (1)
9 petition or suit. Each separate tract or parcel of real estate joined in any one (1)
10 action shall be included in a separate count to distinguish it from other parcels
11 within the same action.

12 (2) Each separate tract or parcel of real estate joined in any one (1) action shall be
13 listed by the county by its tax district, block, lot, and sub-lot and shall be
14 separately indexed and docketed by the Circuit Court clerk in a book kept by the
15 clerk for that purpose. For each parcel of real estate, the Circuit Court clerk shall
16 be allowed a fee of fifty cents (\$0.50) which shall be taxed and paid as other costs.

17 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
18 READ AS FOLLOWS:

19 (1) A suit for the enforcement of the tax liens brought under Sections 2 to 20 of this
20 Act shall be instituted by filing with the Circuit Court clerk a petition, containing
21 a caption in substantially the following form:

22 Circuit Court

23 Division

24 No. _____

25 County of _____ Plaintiff

26 VS.

27 _____
Parcels of Land Encumbered

1 with Delinquent Tax Liens Defendants

2 (2) The petition shall contain a separate count for each parcel of real estate included
 3 in the action. Each count in the petition shall set forth those items of information
 4 required of the county in subsection (2) of Section 4 of this Act and shall list the
 5 name of any taxing authority or person of record owning or holding any tax bill
 6 or claiming any right, title, or interest in or to, or lien upon, any parcel of real
 7 estate as set out in the petition, and a claim. The specific right, title, or interest
 8 either owned or claimed, or lien held, by any taxing authority other than the
 9 county or by other interested persons of record need not be set forth in the action.

10 (3) The petition shall conclude with a claim that:

11 (a) All county tax liens upon the real estate be enforced;

12 (b) The court determine the amounts and priorities of all tax bills, together with
 13 interest, penalties and costs;

14 (c) The court order the real estate to be sold by the master commissioner under
 15 KRS 426.560 to 426.715, except as otherwise provided in Section 11 of this
 16 Act; and

17 (d) A report of the sale be made by the master commissioner to the court for
 18 further proceedings under Sections 2 to 20 of this Act.

19 (4) The petition so filed shall have the same effect, with respect to each parcel of real
 20 estate described, as a separate suit instituted to enforce the tax lien against any
 21 one (1) of the parcels of real estate. The invalidity of any separate count shall not
 22 in any way affect the validity of the remainder of the proceedings with respect to
 23 any other count in the action.

24 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
 25 READ AS FOLLOWS:

26 (1) Any action brought under this section or Section 6, 7, 9, 10, or 11 of this Act shall
 27 constitute an action in rem and the pleadings therein shall consist of a petition

1 and an answer.

2 (2) An answer may be filed by any person or taxing authority owning or claiming
3 any right, title, or interest in or to any tax bill constituting a tax lien on the real
4 estate described in the petition or by any person owning or claiming any right,
5 title, or interest in or to, or lien upon, the real estate. An answer shall include the
6 nature and amount of the interest and any defense or objection to the
7 enforcement of the tax liens listed in the petitions, and may include the
8 allegations usually incorporated by the appropriate pleadings.

9 (3) An answer shall contain the caption and number of the case, and the count
10 number or numbers, as set out in the petition, of the parcels of real estate
11 concerned. The answer shall be filed with the Circuit Court clerk and a copy
12 thereof served on the county not later than fifty (50) days after the date of the first
13 publication of the notice of enforcement.

14 (4) In the event of failure to answer within the fifty (50) day period, a default
15 judgment may be taken on all parcels of real estate for which no answer has been
16 filed.

17 (5) Any taxing authority owning or claiming any interest, right, or title in or to any
18 tax bill described in the petition filed under Section 7 of this Act may either file a
19 cross-claim or join the action as a co-plaintiff under Sections 2 to 20 of this Act,
20 notwithstanding KRS Chapter 134.

21 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
22 READ AS FOLLOWS:

23 (1) Within thirty (30) days after the filing with the Circuit Court clerk of an
24 enforcement suit for the collection of unpaid taxes under Sections 2 to 20 of this
25 Act, the county shall cause a notice of enforcement to be published two (2) times,
26 once each week, during successive weeks, and on the same day of each week,
27 otherwise in accordance with KRS Chapter 424.

1 (2) The notice shall be in substantially the following form:

2 NOTICE OF ENFORCEMENT OF LIEN FOR DELINQUENT LAND TAXES BY
3 ACTION IN REM

4 Public Notice is hereby given that on the _____ day of _____, 20____,
5 _____ County, Kentucky, filed a petition, being Action Number _____, in
6 the Circuit Court of _____ County, Kentucky, for the enforcement of liens for
7 delinquent land taxes against the real estate situated in the county, all as described in
8 the petition.

9 The object of the suit is to obtain from the court a judgment enforcing the county's tax
10 and other liens against the real estate and ordering the sale of the real estate for the
11 satisfaction of the liens thereon (except right of redemption in favor of the United
12 States of America, if any), including principal, interest, penalties, and costs. Action is
13 being brought against the real estate only and no personal judgment shall be entered
14 therein.

15 The count number assigned by the county to each parcel of real estate, a
16 description of each parcel by street address and the property valuation administrator's
17 tax parcel number (district, block, lot, and sub-lot), a statement of the total principal
18 amount of all delinquent county tax bills against each parcel of real estate, all of
19 which, as to each parcel, is more fully set out and mentioned by count in the aforesaid
20 petition, and the name of any taxing authority or person of record owning or holding
21 any tax bill or claiming any right, title, or interest in or to, or lien upon, any parcel of
22 real estate as set out in the petition, are respectively as follows:

23 (Here set out the respective count numbers, property descriptions, names of taxpayers
24 of record and statements of total principal amounts of tax bills, and names of those
25 other interested persons of record next above referred to.)

26 The total principal amounts of delinquent taxes set out in this notice do not
27 include the lawful interest, penalties, and costs which have accrued against the

1 respective parcels of real estate.

2 Any person or taxing authority owning or holding any tax bill or claiming any
3 right, title, or interest in or to, or lien upon, any parcel of real estate must file an
4 answer to the suit in the office of the Circuit Court clerk of _____ County in
5 _____, and a copy of the answer with the county of _____ in accordance
6 with the Kentucky Rules of Civil Procedure, on or before the _____ day of _____,
7 20_____, and in the answer shall set forth in detail the nature and the amount of
8 interest and any defense or objection to the enforcement of the tax liens, or any
9 affirmative relief the person or taxing authority may be entitled to assert with respect
10 thereto.

11 Any person having any right, title, or interest in or to, or lien upon, any parcel of
12 real estate may have the county's claims against the parcel dismissed from the action
13 by paying all of the sums mentioned therein to the county of _____ including
14 principal, interest, penalties, and costs then due, at any time prior to the enforcement
15 sale of the real estate by the master commissioner.

16 In the event of failure to answer on or before the date herein fixed as the last day
17 for filing answer in the suit, by any person having the right to answer, the person shall
18 be forever barred and foreclosed as to any defense or objection he or she might have to
19 the enforcement of the liens for delinquent taxes and the judgment of enforcement may
20 be taken by default. Redemption may be made for a period of sixty (60) days after the
21 master commissioner's enforcement sale, if the sale price is less than the parcel's
22 current assessed value as certified by the Department of Revenue. Each person having
23 any right, title, or interest in or to, or any lien upon, any parcel of real estate described
24 in the petition so failing to answer or redeem, as aforesaid, shall be forever barred and
25 foreclosed of any right, title, or interest in or to, or lien upon, or any equity of
26 redemption in the real estate.

27 _____ County, Kentucky

1 (name of county)

2 _____

3 Attorney

4 _____

5 _____

6 _____

7 Address

8 _____

9 Phone

10 _____

11 Date of first publication

12 ➔SECTION 10. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
13 READ AS FOLLOWS:

14 (1) The county shall also cause to be prepared and mailed by first class mail, certified
15 by a United States postal service certificate of mailing, within thirty (30) days
16 after the filing of the petition, a brief notice of the filing of the suit to any taxing
17 authority or person of record owning or holding any tax bills or claiming any
18 right, title, or interest in or to, or lien upon, any parcel of real estate as set out in
19 the petition.

20 (2) The notice shall be substantially as follows:

21 To the person to whom this notice is addressed:

22 Public records indicate that you may own or claim some right, title, or interest in
23 or to, or hold a lien upon a certain parcel of real estate located at (here insert the street
24 address and the property valuation administrator's tax parcel number) and set out in
25 count number _____ in a certain petition bearing Action No. _____ filed in the
26 Circuit Court of _____ County, Kentucky on _____, 20 _____, wherein an
27 enforcement of the liens of various delinquent tax bills is sought and a court order

1 asked for the purpose of selling the real estate at a public sale for payment of all
2 delinquent tax bills, together with interest, penalties, and costs. Publication of notice of
3 enforcement was commenced on the _____ day of _____, 20_____.

4 Public records in the office of the county clerk or other public office indicate you
5 may own or claim some interest in this parcel by reason of (Here insert specific
6 reference to any public document of record as disclosed in a thorough examination of
7 title status.).

8 Unless all delinquent county taxes are paid upon the parcel of real estate
9 described in the petition and unless the owners of the real estate shall either have
10 discharged any county tax liens or satisfied any judgment rendered on the liens in
11 favor of the county, prior to the time of the enforcement sale of the real estate by the
12 master commissioner, or within sixty (60) days after the sale if the purchase price at
13 sale is less than the parcel's certified assessed value, the owner or any taxing authority
14 or person of record claiming any right, title, or interest in or to, or lien upon, any
15 parcel of real estate shall be forever barred and foreclosed of all right, title and interest
16 and equity of redemption in and to the parcel of real estate; provided, however, that
17 any person shall have the right to file an answer in the suit on or before the _____
18 day of _____, 20_____, in the office of the Circuit Court clerk and copy thereof to
19 _____ County, in accordance with the Kentucky rules of civil procedure, setting
20 forth in detail the nature and amount of the interest and any defense or objection to the
21 enforcement.

22 Dated _____, 20_____ County, Kentucky

23 (Name of county)

24 _____

25 Attorney

26 _____

27 _____

1 _____

2 Address

3 _____

4 Phone

5 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
6 READ AS FOLLOWS:

7 (1) The court shall order the master commissioner to sell, under KRS 426.560 to
8 426.715, except as otherwise provided in this section, each parcel separately by
9 individual count number. The court shall further order that a report of the sale be
10 made by the master commissioner to the court for further proceedings under
11 Sections 2 to 20 of this Act.

12 (2) Prior to the master commissioner's setting each parcel for sale pursuant to court
13 order, the county shall file with the Circuit Court clerk an affidavit as to the most
14 recent certified tax assessment of each parcel to be sold. The most recent certified
15 assessment of a property shall be the property valuation administrator's last
16 assessment which shall have been certified by the Department of Revenue to the
17 county clerk, as required by KRS 133.180.

18 (3) The most recent certified assessment as sworn to in the affidavit furnished by the
19 county shall be used in all actions brought under Sections 2 to 20 of this Act to
20 determine the owner's equity of redemption under subsection (2) of Section 15 of
21 this Act.

22 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
23 READ AS FOLLOWS:

24 Affidavits of publication of notice and of posting, mailing, or other acts required by
25 Sections 2 to 20 of this Act shall be filed in the office of the Circuit Court Clerk prior to
26 the trial, and when so filed shall constitute part of the evidentiary document in the
27 enforcement suit. The affidavits shall be prima facie evidence of the performance of

1 acts therein described, and may be so used in the trial of the suit unless challenged by
2 verified answer duly filed in the suit.

3 ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) Any suit to collect delinquent tax bills which may be pending at the time of the
6 commencement of any suit brought under Sections 2 to 20 of this Act, affecting
7 the same land, shall be consolidated with the suit brought under Sections 2 to 20
8 of this Act. The parties to the pending suit shall file answers, but any tax bill
9 sought to be collected in any pending suit may be included in any list included as
10 a part of any petition filed by the county. If so included, the inclusion shall act as
11 an abatement of any pending suit, and all amounts then due on any tax bill,
12 including interest, penalties, and costs, shall be listed and charged, and shall
13 continue in force the liens against the respective parcel of real estate listed in the
14 petition filed under Sections 2 to 20 of this Act.

15 (2) Any suit described in subsection (1) of this section shall be tried as all other
16 actions, and the statute of limitations shall not prevent the parties to the pending
17 suit from asserting all rights and defenses which they then have.

18 (3) Any cross-claim of a taxing authority under Sections 2 to 20 of this Act may
19 include a claim for the immediate enforcement of any ad valorem tax owed to the
20 taxing authority, notwithstanding KRS Chapter 134.

21 ➔SECTION 14. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
22 READ AS FOLLOWS:

23 After the trial of the issues, the court shall render judgment as promptly as
24 circumstances permit. If the court finds that no tax bill was delinquent when the suit
25 was instituted or tried, the judgment of the court shall be that the cause be dismissed as
26 to the parcels of real estate described in the tax bill. If the evidence warrants, the
27 judgment may be for the principal amount of the tax bill upon which the suit was

1 brought, together with interest, penalties, and court costs computed as of the date of the
2 judgment. The court may decree that the lien upon the parcel of real estate described in
3 the tax bill be enforced and the real estate be sold by the master commissioner and the
4 cost continued for further proceedings as provided by Sections 2 to 20 of this Act.

5 ➔SECTION 15. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
6 READ AS FOLLOWS:

7 (1) At any time prior to the sale of the property, any person having any right, title, or
8 interest in, or lien upon, any parcel of real estate described in the petition may
9 discharge any county lien or satisfy a judgment in favor of the county as to the
10 parcel of real estate by paying to the county all of the sums mentioned therein,
11 including the principal, interest, penalties, and costs then due.

12 (2) If the property is sold pursuant to the judgment or order of the court and does not
13 bring its most recent assessed value certified by the Department of Revenue to the
14 county clerk as required by KRS 133.180, the owner may redeem it within sixty
15 (60) days from the day of the sale by paying the purchaser the original purchase
16 money and interest at eighteen percent (18%) per annum. Any owner who
17 redeems his or her land shall take a receipt from the purchaser and lodge it with
18 the clerk of the court. The receipt shall be entered upon the records of the court.

19 (3) The owner may tender the redemption money to the purchaser or the purchaser's
20 agent or attorney, if found in the county where the land lies or in the county in
21 which the judgment was obtained or order of sale made. If the money is refused,
22 or if the purchaser does not reside in either of the counties, the owner may,
23 before the expiration of the right of redemption, go to the clerk of the court in
24 which the judgment was rendered or the order made, and make affidavit of the
25 tender and refusal, or that the purchaser or his or her agent or attorney do not
26 reside in either of the counties. The owner may then pay to the clerk the
27 redemption money, and the clerk shall give receipt therefor and file the affidavit

1 among the papers of the action.

2 (4) When the right of redemption exists, the owner may remain in possession of the
3 property until it expires. Real property sold shall not be conveyed to the purchaser
4 until the right of redemption has expired. If it is redeemed, the sale shall, from
5 and after the redemption or from and after the deposit of the redemption money
6 with the clerk, be null and void.

7 (5) In the event of failure to redeem within the period provided for redemption, the
8 owner or any other party in interest shall be barred forever of all right, title, and
9 interest in and to the parcel of real estate described in the petition.

10 (6) Upon redemption as permitted by this section, the person redeeming shall be
11 entitled to a certificate of redemption from the county describing the property in
12 the same manner as it is described in the petition and the county shall thereupon
13 note on his or her records the word "redeemed" and the date of the payment
14 opposite the description of the parcel of real estate.

15 ➔SECTION 16. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
16 READ AS FOLLOWS:

17 (1) Upon the confirmation of the sale by the court and the expiration of the right of
18 redemption provided in Section 15 of this Act, the title to any real estate
19 purchased from the master commissioner under Sections 2 to 20 of this Act shall
20 vest in the purchaser. The title of the real estate shall be an absolute estate in fee
21 simple, subject to rights-of-way of public utilities on which tax has been otherwise
22 paid and subject to any right of redemption of the United States of America, if
23 any. All persons, including the Commonwealth of Kentucky, infants,
24 incompetents, absentees, and nonresidents who may have had any right, title,
25 interest, claim, or equity of redemption in or to, or lien upon the land shall be
26 barred of all right, title, interest, claim, lien, or equity of redemption, and the
27 court shall order that immediate possession of the real estate be given to the

1 purchaser. Any person so barred shall thereafter have as his or her exclusive
2 remedy a claim for a share of the proceeds of the sale of the real estate by the
3 master commissioner.

4 (2) The title shall be subject to the liens of any tax bill which may have attached to
5 the parcel of real estate prior to the time of the filing of the petition affecting the
6 parcel of real estate not then delinquent, or which may have attached after the
7 filing of the petition and prior to the expiration of the period provided for
8 redemption and not including any answer to the petition.

9 (3) If the parcel of real estate is sold to the county or to a land bank authority created
10 under KRS 65.350 to 65.375, the title shall be free of any liens to the extent of the
11 interest of any taxing authority in any of the real estate.

12 (4) The title shall not be subject to the lien of special tax bills, which have attached to
13 the parcel of real estate, but the lien of the special tax bill shall attach to the
14 proceeds of the master commissioner's sale or to the proceeds of the ultimate sale
15 of the parcel by the county.

16 (5) Failure of any party other than the purchaser to follow the procedures set out in
17 Sections 2 to 20 of this Act shall not affect the vesting of title in the purchaser.

18 ➔SECTION 17. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
19 READ AS FOLLOWS:

20 (1) After the master commissioner sells any parcel of real estate, the court shall,
21 upon its own motion or upon motion of any interested party, set the cause down
22 for hearing to confirm the sale, even though the parcels are not all of the parcels
23 of real estate described in the notice of the master commissioner's sale.

24 (2) If the sale is confirmed, the court shall order the proceeds of the sale applied in
25 the following order:

26 (a) To the payment of all costs, including court costs, publication costs, and
27 costs otherwise associated with the action and sale of the parcel described in

1 the particular count; and
 2 **(b) To the payment of all tax bills on the property, including principal, interest,**
 3 **and penalties. If after the payment there is any sum remaining of the**
 4 **proceeds of the commissioner's sale of the property, the court shall try and**
 5 **determine the other issues in the suit with respect to that particular count. If**
 6 **any of the answering parties has specifically appealed, the court, provided**
 7 **that the answering parties have, prior to the appeal, executed an appropriate**
 8 **supersedeas bond, shall retain custody of the funds pending disposition of**
 9 **the appeal, and upon disposition of the appeal shall make distribution. If**
 10 **there are not sufficient proceeds of the sale to pay all claims in any class**
 11 **described, the court shall order them to be paid in accordance with the**
 12 **priorities.**

13 **(3) If there are any funds remaining of the proceeds after the commissioner's sale**
 14 **and after the distribution of the funds as set out in this section and no person**
 15 **entitled to any funds, whether or not a party to the suit, shall have appeared**
 16 **within two (2) years after the sale and claimed the funds, the funds shall escheat**
 17 **to the state as provided in KRS Chapter 393.**

18 ➔SECTION 18. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
 19 READ AS FOLLOWS:

20 **The county, any interested person, or anyone on behalf of a person who is declared**
 21 **incompetent may appeal from the judgment confirming or disapproving the**
 22 **commissioner's sale and the distribution of proceeds. No questions may be raised upon**
 23 **the appeal that could have been raised upon an appeal from the judgment of the sale.**
 24 **The appeals shall be taken within thirty (30) days after the date of the judgment. The**
 25 **necessity for giving bond and the provisions thereof shall be the same as in the case of**
 26 **appeal from the judgment of sale.**

27 ➔SECTION 19. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO

1 READ AS FOLLOWS:

2 *If any party redeems any parcel of real estate from the lien of any tax bill, the party*
3 *shall, in addition to all other amounts then due, including principal, interest, and costs,*
4 *also pay costs to the county as follows:*

5 *(1) One dollar (\$1) per parcel of real estate for issuance of certificate of redemption;*

6 *(2) Five dollars (\$5) per parcel of real estate, if notice of publication has been*
7 *commenced; and*

8 *(3) Five dollars (\$5) as an additional charge per parcel of real estate if notice of the*
9 *commissioner's sale has been commenced.*

10 ➔SECTION 20. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO
11 READ AS FOLLOWS:

12 *Any property or real estate acquired by the county by virtue of purchase at the*
13 *commissioner's sale shall be held by the county and any property so held may be sold,*
14 *transferred, leased, or otherwise utilized by the county within its sole discretion.*